



## Project Matching: Facilitating New Renewable Energy Projects Project Proposal Submittal Form

### Opportunity Overview

Apex is pleased to discuss power offtake and investment opportunities for the Cotton Plains Wind Project with interested parties. For power offtake contracts we are open to consider contract sizes from 5 MW up to the full 200 MW capacity and we are open to contract lengths of 5 years to 20 years. On the investment/ownership side there are opportunities for partial or 100% stakes in the sponsor equity and tax equity financing of the project.

This project is PTC-qualified and in an advanced stage of development with no significant development hurdles anticipated to reach the scheduled Q4 2016 commercial operation date. We are actively discussing power offtake and finance opportunities for this project with interested parties and encourage those interested in additional information to contact us immediately following the webinar.

### Contact Information

Ellen Gilman  
[ellen.gilman@apexcleanenergy.com](mailto:ellen.gilman@apexcleanenergy.com)  
434-220-6342

### Project Summary

**Project name:**

Cotton Plains

**Developer name:**

Apex Clean Energy

**Renewable energy type:**

Wind

**Project city/state:**

Floyd County, Texas

**Project geographic coordinates (To find, use: [www.latlong.net/](http://www.latlong.net/)):**

**Latitude** 34.074643 **Longitude** -101.188636

**Total planned megawatt (MW DC) size:**

Contracts available for 5 MW up to the entire 200 MW project capacity

**Are there phases? If so, how many and in what size tranches?**

The project can be apportioned out in segments to interested buyers but the project will be constructed in one phase.

**What is the expected annual output of the completed project (MWh)?**

Contract portions available for anywhere from approximately 20,000-25,000 MWh (5 MW) annual production up to entire project output of 950,000-1,000,000 MWh (200 MW).

**Expected date of construction commencement:**

Equipment deliveries begin Q4 2015 with full start of construction in April 2016.

**Expected date of commercial operation:**

October 2016. In addition, this project is qualified to receive the federal production tax credit ("PTC").

**What is the largest development hurdle and how is it anticipated to be overcome?**

There are no significant development hurdles anticipated as this project nears construction and financing phase.

**Can you provide examples of similar projects you have developed?**

- December 2012, Apex completed the development and construction of the 300 MW Canadian Hills Wind project outside Oklahoma City. At the time of its construction, Canadian Hills was the largest single-phase wind farm in Oklahoma. The project, which utilizes both Repower and Mitsubishi turbines, sells all of its power through long-term PPAs with three utility off-takers.
- In April 2014, Apex executed a transaction for the development, financing, construction and sale of the 98 MW Hoopston Wind project in Illinois to IKEA. In March 2015, Apex completed the construction and transferred ownership of the completed project to IKEA.
- In October 2014, Apex executed a similar transaction for the development, financing, construction, and sale of the 165 MW Cameron Wind project to IKEA. Apex is managing construction of the project and will transfer ownership to IKEA upon commercial operation, which is scheduled for Q4 2015.
- Apex developed the 300 MW Balko Wind project in Beaver County, OK and sold the project to D.E. Shaw in December 2014. The Balko project, which utilizes GE turbines, will sell all of its power through long-term PPAs with two utility off-takers. It is expected to begin commercial operation in Q3 2015.
- In January 2015, Apex completed the sale of its 300 MW Kingfisher Wind project in Canadian county, OK to First Reserve. Apex is currently managing construction of the project.

Kingfisher, which will utilize Vestas turbines, is expected to begin commercial operation in Q4 2015.

- In February 2015, Apex executed a transaction for the sale of the 300 MW Kay Wind project in Kay County, OK to Southern Power Company. Apex will complete development, finance and construct the project, and transfer ownership to Southern upon commercial operation, which is anticipated in Q4 2015. The Kay Wind project will utilize Siemens turbines and sell its power through long-term PPAs with two utility off-takers.

### **Site Readiness**

**Has the project received all necessary federal, state, and local permits to proceed with construction and operation? If not, please outline the key permits required to proceed with project construction/operation and describe the steps you have taken in order to evaluate and address permitting risk for this project.**

The Project has all required discretionary permits for its construction and operation by the end of 2016. Summary of key permit activity below:

- Floyd County has no local zoning.
- Project received FAA determinations of no-hazard in 2014.
- Only standard administrative permits are required prior to commencement of construction activities (e.g., Road Use Agreement).
- Avian studies completed in 2013 and 2014-15. No impacts to federally listed wildlife anticipated.
- No US Army Corps of Engineers (USCAE) jurisdictional wetlands identified and will therefore not require permitting under the Clean Water Act Section 404 permits.

**Have you secured long-term site control? If so, please describe the nature of the agreement (lease, ownership, etc.)?**

Yes, 100% site control is secured for the project. Approximately 41,806 acres of farm land under long-term lease with 65 landowner groups.

**Have land leases been filed with the county?**

Yes.

**Does the project require either an Environmental Impact Statement or Environmental Assessment? If so, what is the status?**

Not required.

**Is this project sited on a current or formerly contaminated land, landfill or mine site?<sup>1</sup> If so, has the site addressed the related environmental issues?**

---

<sup>1</sup> Examples of such properties could include brownfields, municipal solid waste landfills, abandoned mine lands, and Superfund sites, among others subject to state or federal authorities or cleanup programs.

Project is located on farmland. Not on contaminated land, landfill or mine site.

### **Interconnection**

#### **What is the status of interconnection, and have system impact and facility studies been completed? (Distribution or transmission level projects are both eligible)**

Cotton Plains will interconnect with Sharyland Utilities' CREZ 345 kV transmission line. The project will interconnect at Sharyland's White River substation on the project site. The White River substation is under construction by Sharyland and will be completed August 1, 2015.

In February 2014 the interconnection request was filed with ERCOT and the Full Interconnection Study is underway.

- Cotton Plains is planning to execute an early GIA in Fall 2015
- Energization scheduled for September 2016

#### **When do you expect the interconnection study process will be complete?**

The Full Interconnection Study is anticipated to be issued by ERCOT in Fall 2015.

#### **Does the transmission owner (TO) or independent system operator (ISO) have a process to study the project's impact on the local or regional grid and the subsequent cost to interconnect?**

Yes, process underway.

### **Operation & Financing**

#### **Is any element of the project – technology or systems – experimental or pilot-phase or proven technology?**

No. All technology and systems used for the project are proven.

#### **What is the long- and short-term plan for operating and maintaining the project?**

Apex will serve as the long-term operator of the project subject to agreement with the Project's sponsor equity investor. Apex is currently contracted to serve this role on 1 MW of assets that are online or scheduled for completion in 2015.

The Apex asset management team provides oversight, management, and optimization of the Project:

- Site Services: safety, stakeholder relationship management, operations and maintenance
- Market Services: performance monitoring and forecasting, scheduling, market participation, NERC compliance
- Administrative Services: compliance, accounting, insurance, tax, legal, reporting & analysis

- **Asset Optimization:** research, analysis, and implementation of new technologies, optimization to changes in market conditions

The Project's turbine supplier is anticipated to be the initial primary subcontractor for the operations and maintenance of the project's turbines, and will provide all required scheduled and unscheduled service, maintenance and repair work (including all parts, consumables, tools / cranes) under a fixed fee service agreement that will include an annual availability warranty.

**For wind projects, has a meteorological tower been installed? If yes, when was the tower installed and how much data has been collected?**

Wind resource data has been collected at the Project site since July 2011 with the installation of two 60-meter meteorological towers, followed by an 80-meter tower in August 2011. In the fall of 2014, another four met towers were installed at the project site. We have collected approximately 134 months of cumulative data from the seven on-site met towers, correlated with high-quality long term reference data.

**Provide a short summary of how you view project finance and structure/ownership taking shape for this project:**

Apex is actively discussing investment and ownership opportunities for the project with potential investors and is open to new discussions for partial or full sponsor equity and tax equity positions.

In anticipation of a 2016 COD for the Project, the proposed capital structure will include the following:

- **Construction Period.** During the construction period, Apex assumes that 85-90% of the capital required to construct the Project will be provided by a construction loan and 10-15% from the long-term equity sponsors, which will be Apex and its equity partners.
- **Operational Period.** Upon or shortly after COD, Apex anticipates the Project's capital structure to be as follows: (i) 60% will be supported by tax equity investors; and (ii) 40% will be supported by our sponsor equity investors, which will be Apex and its equity partners.

This structure is identical to the structure Apex has used to finance many of their projects. For example, for the 300 MW Balko Wind Farm, the tax equity investors are GE, Bank of America, Citi Group, and Google. For the 298 MW Kingfisher Wind Farm, the tax equity investors is a Strategic investor owned utility. Additional counterparties we have worked with for tax equity include JP Morgan, Union Bank, State Street and MetLife. For construction lenders, we have worked with Morgan Stanley, Key Bank, and Santander. With current market knowledge of needs of financing counterparties from recent large financings such as these, Apex is confident that it will close a successful financing for Grant Plains on time to support a November 2016 COD.

**Partners**

**In what ways can organizations participate in the project? (Check all that Apply)**

- Power purchase agreement for bundled power and RECs**
- Financial hedge or contract for differences**
- Long term REC offtake**
- Financial investment / ownership stake**
- Other, please specify: \_\_\_\_\_**

**What are some of the characteristics of your ideal power purchaser, investor, or other partner?**

Power purchasers, investors or other partners should have investment grade credit.

**What marketing opportunities exist at the project?**

Apex is open to discussing marketing opportunities such as naming rights with project partners.